Sessions have been held with academia, industry and designers and this would help in formulation of the Design Policy.

Non-utilisation of installed capacity of Sesame Oilseed Industry

†2322. SHRI RAJ MOHINDER SINGH MAJITHA:

SHRI RAM JETHMALANI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the installed capacity of seasame oilseed industry is not being utilised fully in the country;

(b) if so, the percentage utilisation of the installed capacity during the years 2001-02,2002-03,2003-04 and till the month of December 2004-05;

(c) the reasons for not utilising the installed capacity; and

(d) the estimated effect on the cost of production due to not utilising the installed capacity fully?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Consequent upon delicensing of the vegetable oil sector, no precise data about oilseed (including sesame seed) crushing capacity is available. The estimated annual crushing capacity of oilseeds is 425 lakh tonnes. The existing crushing capacity is far in excess of the availability, of raw material and the average percentage of capacity utilization is around 30.

(c) Some of the reasons attributable to the unsatisfactory capacity utilization of the vegetable oil industry are:

- Unrestricted growth of the industry following de-licensing of the vegetable oil industry.
- Creation of capacity totally incommensurate with availability of raw materials.
- Obsolete technology.
- Very low margin because of stiff competition, inefficent Operation etc.
- Speculative nature of the trade.

(d) The cost of production depends on various factors including under utilization of installed capacity. However, no data is available on the effect of non-utilization of the installed capacity on cost of production.

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†Original notice of the question was received in Hindi.